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Introduction

THE CLOSING ceremony of the 20th National Congress of the Chinese Communist Party (CCP) on October 22, 2022, was supposed to be a festive occasion celebrating Xi Jinping's unprecedented third term as the party's general secretary. But something evidently went awry. Xi's predecessor, former party chief Hu Jintao, then 80 years old, was escorted off the podium, apparently against his will. The more than 2,300 delegates to the congress stared in stunned disbelief while Xi and the other top party leaders seated with Hu sat expressionless, pretending not to notice what was widely seen as an act of public humiliation of a former party chief.

What exactly happened remains a subject of fevered speculation. The most plausible explanation is that Hu noticed in the file given to him that his protégé and two-term member of the Politburo, Hu Chunhua (no relation), was not on the list of members to be appointed to the new Politburo, even though he was only 59 years old and had more experience than most other members of the Politburo. As Hu Jintao likely had not been notified of this last-minute change, he probably wanted to ask those seated around him (Xi Jinping sat to his right) why Hu Chunhua had been dropped from the Politburo. Apparently, this was too much for one of Xi's closest loyalists, Li Zhanshu, a retiring member of the Politburo Standing Committee. Li seized the file from Hu Jintao while Xi summoned an aide and appeared to instruct him to remove Hu from the podium.¹

This incident, unanticipated by Xi as it may have been, nevertheless serves as a fitting marker of the total political dominance he had attained since becoming CCP chief in November 2012. During his decade in power, he had dismantled the political order constructed by his predecessors and had revived the central elements of totalitarianism: personalistic rule, a cult of personality, permanent purges, stifling social control, ideological indoctrination, and an

aggressive foreign policy. The reinstitution of fear as a vital instrument of rule can be seen in a long list of acts previously thought to be inconceivable in the post-Mao era: the mass incarceration of millions of members of ethnic minorities (mostly Uighurs) in Xinjiang in the second half of the 2010s; the unilateral imposition of a national security law on Hong Kong in July 2020 that all but ended the “one country, two systems” governance model in the former British colony; the ferocious crackdown on civil society, the press, and social media that has raised repression to its worst level in the post-Mao era.

Within the regime, Xi made himself the most powerful—and most feared—Chinese ruler since the death of Mao Zedong in 1976, largely by deploying the tactics of the permanent purge and monopolization of decision-making power favored by totalitarian leaders. By the time he ordered that Hu Jintao be escorted off the podium, Xi had broken nearly all the norms and rules established by the party in the post-Mao era, including collective leadership, term limits, mandatory retirements, and security of political elites. (By late 2022, Xi’s decade-long war on corruption had led to the investigation of 4.6 million party members, including more than 500 “centrally supervised” officials and more than 200,000 mid-level and local officials. About one in eight full and candidate members of the Central Committee had been investigated, prosecuted, and imprisoned.)²

The day after his display of raw political power in front of the officials who ran the country, the Central Committee duly elected Xi as general secretary for another five-year term, breaking the unwritten two-term limit and effectively making him the first lifelong ruler since Mao Zedong.

The return of a neo-totalitarian ruler and practices reminiscent of Stalinism was scarcely imaginable four decades earlier when survivors of Mao’s Cultural Revolution had regrouped in Beijing to salvage a regime traumatized by its self-destructive policies. Prominent among them were Deng Xiaoping, who had the distinction of being purged thrice by the party (twice by Mao), and Chen Yun, another veteran revolutionary and the party’s most respected economic planner. Although Deng and Chen would later clash over economic reform, they shared the same goal of restoring collective leadership and preventing the rise of a Mao-like figure who could again terrorize the party. They pushed through a series of reforms enshrining the principle of collective leadership, prohibiting the building of a personality cult, and introducing the practice of mandatory retirement and term limits.

In addition to such efforts to steer the party away from its totalitarian past, the party in the early 1980s also boasted liberal-leaning incumbent leaders

running its day-to-day affairs (even though Deng and Chen would still call the ultimate shots). Hu Yaobang became party chief in June 1981 after Deng and Chen forced out Hua Guofeng, a transitional leader credited with the coup that led to the arrest of Mao's widow and three other radicals in early October 1976. Hu Yaobang oversaw the party's routine administration for the next five and half years and played a pivotal role in drafting some of the party's historic documents in the 1980s. On the economic side, Zhao Ziyang, the premier, worked tirelessly to turn Deng's vision of "reform and opening" into a reality. The reformist duo was instrumental in nudging the party in a kinder, gentler direction. Indeed, before Deng ordered the Chinese military to crush the peaceful prodemocracy protests in Beijing on June 4, 1989, China had experienced the most open and free decade in the post-1949 era.

Hopes that China would continue to evolve into a more prosperous and open society did not die even after the brutal suppression of the protesters in Beijing in June 1989. The collapse of the Soviet Union in December 1991 led Deng to launch his final attempt to revive the country's economic revolution in early 1992, as he knew that the CCP, like the former Soviet Union, would also lose legitimacy if it failed to deliver a better standard of living for the Chinese people.

During the following two decades, modernization on an unprecedented scale in human history completely transformed China, even though the party retained its power and continued to resist political liberalization. For those believing that growing economic prosperity and integration with the West through trade and investment would increase the odds of bringing democracy to the country, democratization through economic modernization seemed a feasible route for China in the post-Tiananmen era. In the twenty years between Deng's tour of South China in 1992 that reignited the economic reforms and the installation of Xi Jinping as the new party chief in late 2012, the Chinese economy grew at an average of 10 percent each year.³ Per capita income measured in purchasing power rose nearly tenfold, from 1,262 purchasing power parity (PPP) to 11,169 PPP, during the same period.⁴ In 1992, only 27.5 percent (or 322 million) of the population lived in urban areas. By 2012, 52.6 percent (or 712 million) of the population were urban residents.⁵ The Chinese population had also become better educated. In 1992, 604,000 people graduated from college. In 2012, 6.24 million people graduated from college, representing a tenfold increase.⁶ The globalization in the post-Cold War era helped make China an integral part of the global economy and also the world's largest manufacturing power. Between 1992 and 2012, more than \$1.2 trillion

in foreign direct investment (FDI) flowed into China, and foreign merchandise trade increased from \$136 billion to \$3.867 trillion.⁷

Before the rise of Xi, few could have imagined that a country that had made such tremendous progress through economic development and globalization could restore totalitarian rule at home and precipitate a new cold war with the West. Tragically, that is exactly what has happened. By the time that Xi effectively became China's new lifetime ruler, he not only had revived totalitarian rule at home but also had implemented an aggressive foreign policy that eventually contributed to the collapse of Sino-American relations and the rise of a new cold war.

What Happened?

No single theory in the existing social science literature can fully explain the revival of totalitarian rule in China despite decades of transformative socio-economic modernization, the immense improvements in economic well-being, and integration with the global economy. To understand how China underwent a great political leap backward under Xi's rule, we must first appreciate the odds against a potential opposite outcome—political liberalization or even democratization in parallel with rapid economic development.

One of the greatest puzzles about China since the end of the Maoist era is the apparent disconnect between economic development and democracy. Contrary to the strong correlation between the level of economic development and the existence of democratic regimes that has long been observed, rising prosperity and social change in China since the 1980s have created many favorable preconditions for democracy but have not actually led to meaningful democratization of its political system.⁸ Explanation of this puzzle may not be difficult to find. For starters, despite the observed correlation between wealth and democracy, the exact mechanisms by which economic development leads to democracy remain unclear.⁹ Research on democratization since the mid-1970s shows that the choices made by authoritarian ruling elites play a far more important and direct role in the transition from authoritarian rule.¹⁰ One of the most influential studies of the relationship between economic development and democracy finds no linear relationship between economic development and the transition to democracy. The single most important variable in a country's transition to democracy is not the attainment of a particular level of wealth but the demise of dictatorship.¹¹

If the strategic choices made by China's leaders in the post-Mao era matter more than the structural changes of the country's society and economy in determining the evolution of its political system, then there may be a simpler and more straightforward explanation of the Chinese puzzle. One-party rule has persisted in China in spite of modernization mainly because the CCP not only has chosen to resist pressures for political liberalization but also has adopted effective measures to neutralize the political effects of economic development. Indeed, we do not need to look far to find evidence that Deng Xiaoping, the leader who almost single-handedly steered the party away from Maoism in the direction of modernization, had no intention of allowing his project of "reform and opening" to endanger the party's political monopoly. In March 1979, three months after he effectively became the paramount leader, Deng laid down the "Four Cardinal Principles"—upholding the socialist path, the people's democratic dictatorship, the CCP leadership, and Mao Zedong Thought and Marxism-Leninism—as the political limits not subject to challenge.¹² However hard he pushed for market reforms, integration with the West, and measures favorable to development during his rule, Deng made it abundantly clear that economic modernization was the means by which to perpetuate one-party rule, and nothing else. Although he fought the hardliners in the party who resisted his economic reforms, he consistently took their side, often wittingly, in lashing out against what he called "bourgeois liberalization"—his shorthand for societal pressures to advance political liberalism and democracy.

To be sure, there was perhaps a narrow and brief window for democratization in the 1980s, the most open period since 1949. During the decade, liberal reformers such as Hu Yaobang (party chief from 1981 to January 1987) and Zhao Ziyang (premier from 1980 to 1987 and party chief from 1987 to May 1989) did what they could to open up the political system. Taking advantage of Deng's support for administrative reforms to improve the efficiency of the state, in 1986–1987 Zhao even drafted a blueprint that had the potential of introducing a limited form of political pluralism into the Chinese party-state.¹³ Despite their positions as the top leaders, these two reformers did not have ultimate decision-making authority. Deng Xiaoping and the other aging revolutionary veterans wielded such power and made sure that Hu and Zhao, whose limited mandate was to implement Deng's economic reforms, would not condone liberalizing trends that could endanger one-party rule. Indeed, Deng purged these two reformers when they supported prodemocracy forces

in defiance of Deng's expressed hard-line views. As the balance of power in the 1980s consistently favored political hard-liners such as Deng and Chen Yun, the odds for genuine and sustained liberalization were never great.

After the thorough purge of the liberal reformers following the crackdown in June 1989, such odds evaporated. In the post-Tiananmen era, the regime adopted a sophisticated survival strategy that relied on a diverse set of tools to ensure that economic development and globalization would not endanger the party's hold on power.¹⁴ The party maintained broad-based popular support mainly by delivering rising prosperity. Regime legitimacy was also reinforced with appeals to nationalism.¹⁵ To expand its base, the party carried out a concerted program to recruit capitalists, professionals, and intellectuals—new social elites whose support would help it rule a more diverse and complex society and economy.¹⁶ The post-Tiananmen period also saw the rise of a security state equipped with a vast network of informants and advanced technology, underwritten by a massive increase in fiscal resources generated by the economic boom.¹⁷ As a result of the party's response, rapid economic development in the post-Tiananmen era strengthened party power instead of weakening it.

Furthermore, the critical choices made by top CCP leaders in the 1980s, the party's effective adaptation in the post-Tiananmen era, and the unique institutional features of the CCP increased the difficulties of transition to a more open political system. Unlike average authoritarian regimes, such as personal dictatorships, military juntas, or non-Leninist one-party regimes, for instance Singapore's People's Action Party (PAP) and Mexico's Institutional Revolutionary Party (PRI) before 2000, Communist totalitarian regimes have a programmatic ideology, better-organized ruling parties, a more systematic use of terror as a means of rule, greater influence over the economy through planning and state-owned enterprises, more effective control of military and security forces, and an unrivaled capacity to dominate society and restrict the flow of information.¹⁸

These institutional features make it much more difficult to democratize a totalitarian regime than an authoritarian one. The transition to democracy in a garden-variety dictatorship usually involves the ruling elites' exit from power and the establishment of civilian control over the military. But in the case of totalitarianism, such a transition requires changes in practically every facet of the political system, economy, and society because totalitarian rule itself is deeply embedded in them. Piecemeal reform in a totalitarian regime is unlikely to have much of an impact in terms of changing the nature of the system

because the old system will retain its totalitarian essence unless the most important institutional features of totalitarianism—above all the Leninist party-state—are removed.

A quick review of democratization in the former Communist regimes beginning in the late 1980s and culminating in the fall of the Soviet Union in December 1991 shows that this process was accomplished almost exclusively through revolution—the rapid overthrow of the Communist regimes. To be sure, the Communist regimes in Eastern Europe and the former Soviet Union in the late 1980s were post-totalitarian regimes that had abandoned some of the essential practices of classic totalitarianism, in particular the permanent purge and mass terror, but they still retained other defining features of totalitarianism, especially the Leninist party-state, a command economy, and near-total control of the flow of information. However, once it became clear that the Soviet Union would no longer intervene militarily to keep the Communist regimes in its satellite states in power, spontaneous revolutionary movements overthrew these regimes and replaced them with democracy.¹⁹

If the rapid downfall of the Soviet-backed Communist regimes in Eastern Europe is easier to explain, the collapse of the Soviet Union itself perhaps shows that even an indigenous Communist regime becomes vulnerable to revolution if it attempts to reform and weaken the foundational institutions of totalitarianism as part of a gradual process of political reform. In the Soviet case, reformist leader Mikhail Gorbachev introduced *glasnost* and *perestroika* in an attempt to revitalize the moribund system. But Gorbachev's gamble on openness, pluralism, and competition to create a more humane system quickly unleashed revolutionary forces, in particular nationalism in the republics of the empire. As reform turned into revolution, Gorbachev ultimately lost control and became the gravedigger of Soviet communism.²⁰

Although the fall of the Soviet Union is the only case of the overthrow of a Communist regime founded by an indigenous revolution, it raises the question whether totalitarian regimes can be transformed into a democracy through reform, not revolution. Admittedly, the Soviet Union under Gorbachev was the only indigenous Communist regime that attempted to save the crisis-ridden system with political reform, not economic reform. Yet, because Gorbachev's *glasnost* and *perestroika* succeeded in dismantling the foundations of post-totalitarian rule (most critically the Communist party's political monopoly), the Soviet case remains the only instance in which a post-totalitarian regime was replaced by another political regime (a weak democracy in the Russian case). Instructively, indigenous Communist regimes such

as China and Vietnam that embraced capitalism but resisted political liberalization have gained unprecedented economic prosperity but have also retained the key political institutions of totalitarianism.²¹ The absence of democratization in such regimes implies that economic modernization alone is unlikely to result in the transition to a different political regime. Political reform that fatally weakens the foundational institutions of totalitarianism, as in the case of the Soviet Union in the late 1980s, may be the only path to democracy for a totalitarian or a post-totalitarian regime.

The preservation of the foundational institutions of totalitarianism—the Leninist party-state, near-total control of information, direct control of the military and the security apparatus, and decisive influence over the economy—also suggests that the revival of totalitarian rule in such regimes is not only possible but also likely if a strongman holds political dominance and decides to return the regime to its totalitarian roots. As totalitarianism in such regimes has never really been uprooted and its principal institutions remain essentially intact, restoring totalitarian rule faces far fewer obstacles than it does in regimes where totalitarianism has been largely dismantled.

How the China Dream Was Broken

When Deng Xiaoping launched his “reform and opening” in 1979, China finally had a chance to realize its dream of becoming a rich and strong country after enduring a “century of humiliation,” the period between the start of the First Opium War in 1839 and the founding of the People’s Republic of China in October 1949. Economically, the country enjoyed favorable structural conditions to embark on a fast-paced modernization drive. Unlike the Soviet Union, the state-socialist economic system had shallower roots and a more tenuous hold on China. Most of the population lived in the countryside—outside the inefficient state sector. The potential of tapping into the productive capacity suppressed by communism was enormous if the CCP could relax its restrictions on economic freedoms.²² Diverse local conditions forced the state to allow a more decentralized system with greater potential for experimentation, innovation, and private entrepreneurship.²³ Demographically, China could reap the immense benefits of a vast young and healthy labor force if it were to adopt policies to make it more productive.²⁴ Geographically, China is located in the world’s most economically dynamic region—East Asia—and could not only benefit from trade and investment with Japan, then Asia’s economic powerhouse, but also gain from the development experience of the four

little dragons, Taiwan, South Korea, Singapore, and Hong Kong, all of which were success stories of globalization.²⁵ Geopolitically, by the end of the 1970s, China had become a strategic partner of the West in the Cold War. Supporting China's modernization drive served the West's security interests.

While the preconditions for China's economic take-off at the end of the Maoist period were overwhelmingly positive, the preconditions for political liberalization or democratization were mostly negative. It is true that, ideologically, the calamity of the Cultural Revolution had thoroughly discredited Maoism, weakened the party's hold on Chinese society, and motivated Deng Xiaoping to adopt pro-market economic policies.²⁶ But most preconditions for genuine political liberalization or democratization were either nonexistent or downright unfavorable.

Crucially, the strategic choice made by the dominant Chinese leaders, mainly Deng Xiaoping and his conservative rival Chen Yun, was to repair and preserve the rule of the CCP, albeit with more pragmatic economic policies. They not only viewed political liberalization, let alone democratization, with intense hostility, but also they had launched periodic crackdowns in the 1980s to rein in any trends threatening the party's hold on power. Although liberal reformers were represented in the top echelons of the regime, they lacked the power to push the party toward greater political openness.

If the unfavorable balance of power at the top precluded the possibility of an elite-led transition toward a more open society, the likelihood of a transition driven by societal forces was vanishingly small due to the legacies of three decades of totalitarian rule. As the most repressive form of dictatorship in human history, totalitarianism concentrates power and resources in the party-state and seeks to eliminate all potential threats to its rule. In totalitarian regimes established through revolution, the process of consolidating power typically entails the brutal destruction of social forces deemed to be threats to regime survival.²⁷ Consequently, societal groups, such as independent civic organizations, religious groups, and business associations, are not permitted in totalitarian regimes. The private sector is either strictly controlled by or beholden to the state (as in the case of Nazi Germany), or almost completely banned (as under Communist rule).²⁸ In the Chinese case, societal forces that might have pressured the CCP to liberalize the political system were too weak to become politically significant. Even though these groups grew as the result of economic development, the restrictions imposed by the Chinese regime prevented them from becoming truly autonomous and effective political actors.²⁹

Thus the party's monopoly of power faced no real threats from within or without. The most important consequence of the post-Mao rulers' decision to rely on economic reform to save the party was the preservation of the key institutions of totalitarianism. Indeed, except for the decline of the orthodox Communist ideology and erosion of the party's control of the economy, practically all other components of totalitarianism remained intact throughout the post-Mao period. To be sure, Deng and other Chinese leaders sought to set up guardrails to prevent the return of a Mao-like figure who could restore personalistic rule and again terrorize the party. Unfortunately, the specific measures on term limits and protection of the rights of party members that had been introduced in the 1980s were too narrow and vague (for example, they set no explicit age or term limits for Politburo members or for the general secretary). As rules and norms are unenforceable in a dictatorship and Chinese leaders' resistance to democratization and the rule of law made it impossible for enforcement by independent third parties (such as the courts, the press, or voters), the limited reforms adopted by Deng in the 1980s were inherently incapable of preventing the return of totalitarian rule. Fortunately for the party, and for China, the fragile balance of power among rival leaders and their factions between 1979 and 2012 sustained collective leadership and ensured the continuation of Deng's pragmatic policies.

During the pre-Xi period, however, totalitarianism was merely lying dormant. The party had suspended or curtailed policies and practices associated with classic totalitarianism, most importantly the mass terror and the near-total control of the economy. But as long as the party kept intact the foundational institutions of totalitarianism, the possibility of its revival was both real and substantial. All it would take was the return of a leader who, driven both by his ideological beliefs and his personal ambitions, found that the restoration of totalitarian rule would best serve his goals and interests. Because the limited reforms introduced by Deng were too weak or too flawed to preclude this scenario, the return of totalitarian rule, however unthinkable to many, remained a real possibility. Once a strongman were to gain power in the party, he would face no real opposition from within to make himself into a Mao-like figure, while the preservation of the essential institutions of totalitarianism would enable him to revive such a regime with relative ease.

In addition to the dormant totalitarian institutions, the flaws of Deng's neo-authoritarian developmentalism—economic modernization under one-party rule—were also responsible for the return of totalitarianism. Neo-authoritarian developmentalism rests on two pillars: repression of organized opposition and

civil liberties, and a single-minded focus on economic development. However appealing in theory, neo-authoritarian developmentalism not only is unsustainable in practice but also creates political conditions favorable for the return of a totalitarian leader. Economic development under autocratic rule faces two insurmountable obstacles. The first is the lack of rule of law—the foundation of property rights and a market economy. As dictatorships are unwilling to be constrained by the rule of law and have short time horizons due to their insecurity, state predation is a structural feature of dictatorship. Property rights will therefore remain permanently insecure in countries ruled by dictatorships, thus undermining investor confidence and inherently limiting the economic potential of these countries.³⁰ The second hurdle is the trap of partial economic reform. A dictatorship desperate to gain political legitimacy by improving economic performance may initially be willing to adopt radical reforms, but it will have decreasing incentives to pursue further radical reforms because the early success of its reform strengthens its legitimacy and reduces the pressures for further change. Critically, economic reforms under dictatorial rule tend to become more difficult politically as they progress because the most radical or thorough reforms require a full empowerment of market forces, decentralization of resources, and a concomitant curtailment of the power of the state. As complete market reforms threaten to limit the ability of the ruling elites to use their power to extract economic benefits, such reforms become less attractive to the ruling elites, who become more reluctant to undertake them. Economic stagnation, not sustained dynamism, will likely follow.³¹

A combination of autocracy and a partial reform trap inevitably produces crony capitalism characterized by collusion between political elites and capitalists who use their connections with political elites to gain access to privileges and opportunities unavailable to those outside such networks. This union allows political elites in an autocracy to convert their power into wealth. As crony capitalism exacerbates inequality and corruption by privileging only the well-connected, it stokes social tensions and accelerates regime decay, thus creating opportunities for a strongman to seize power by weaponizing anticorruption investigations to destroy his political rivals and their networks.³² This is precisely what happened after Xi became party chief in late 2012.

In retrospect, the relative ease with which Xi could turn back the clock and restore a form of totalitarian rule few had thought would be possible was not a random outcome of Chinese history in the post-Mao era. To be sure, the leader responsible for this great leap backward—Xi Jinping—might have been

an accident, as his rise to the top echelons of the CCP was by no means pre-ordained or inevitable. But in the larger political context of the post-Mao era, in particular the deliberate choices made by Deng and other hard-liners to maintain and defend the party's political monopoly at all costs, the preservation of the foundational institutions of totalitarianism, and the inherent flaws of Deng's neo-authoritarian developmentalism, the conditions for the revival of totalitarian rule were both ever-present and highly favorable. In other words, that the post-Mao reforms ended with a new form of totalitarian rule reminiscent of Stalinism was an accident waiting to happen.

Argument in Brief

Post-Mao China has experienced three distinct eras: the reform era of the 1980s, the neo-authoritarian era (1992–2012), and neo-Stalinist era under Xi Jinping since 2013.³³ Despite the identifiable ruptures between these eras, they are all connected by the logic of path dependence. Chinese leadership's strategic choices in one era narrow the range of options and potential paths forward in the subsequent eras as these choices produce outcomes that increase the probability of certain developments and decrease the probability of other developments in later periods.

Specifically, path dependence means that China had the widest range of options in the 1980s. During that decade, unsurprisingly, the intense struggle at the highest level of the Chinese leadership centered on the three potential paths forward. Hard-liners advocated returning to a communist system without Maoist radicalism. Pragmatic Leninists wanted to embrace capitalism to save a crisis-ridden regime. Liberal reformers tried to institute both political and economic reforms to steer the party away from its totalitarian roots. The decisive defeat of the liberals in 1989 eliminated the third option. In the post-Tiananmen period, pragmatic Leninists led by Deng seized the fall of the Soviet Union in December 1991 to rally a demoralized party to a neo-authoritarian path of capitalist development under one-party rule. This strategy in the subsequent two decades initially produced unprecedented economic dynamism but gradually succumbed to rapacious autocratic cronyism. The legacy of the post-Tiananmen order—pervasive official corruption, moribund market reforms, and sophisticated and effective repressive capacity—opened a potential path for a strongman to gain dominance and revert to totalitarian rule. Although the party could conceivably continue to plod along its post-Tiananmen path under a different leader, it was just as likely that it could embark on an

entirely different path—one toward a new form of totalitarian rule under a strongman. If anything, the odds of revival of totalitarianism were even greater because a potential strongman could easily purge corruption-tainted rivals to seek supremacy within the regime. The same strongman could deploy totalitarian repressive practices to reimpose strict control over society because the coercive institutions of totalitarianism, such as a party-controlled military, the secret police, mass surveillance, and networks of informants, not only had been preserved, but also had been significantly upgraded with technology and investments in the post-Tiananmen era.

The logic of path dependence similarly illuminates the trajectory of Chinese economic development in the post-Mao era. Thanks to its favorable demographic structure, pent-up entrepreneurial energy in society, and cooperative relations with the West, the economy was poised for a massive and rapid take-off if the party dismantled the old Communist economic institutions and adopted pro-market policies. Even though China indeed experienced an economic “miracle” that was marked by three decades of high economic growth, Deng’s strategic choice of using economic reform and globalization to sustain one-party rule inevitably resulted in the loss of momentum of reform. Dictated by the political imperative of preserving one-party rule, Deng and his successors simply could not risk ceding the “commanding heights” to the private sector and foreign investors. The principle of preventing market reform from undermining one-party rule would severely limit the growth of the private sector and shield the state-owned enterprises from competition, resulting in a hybrid economy that would eventually stagnate. Even worse, the same principle could also lead to the rollback of the private sector if the regime wants to contain the threats of capitalism. Seen from this perspective, the reversal of post-Mao economic reform under Xi is no accident.

China’s relationship with the West in the post-Mao era cannot escape the confines of path dependence, either. National weakness, the Soviet threat, and the party’s desperate need for Western support necessitated a pragmatist foreign policy prioritizing economic development over ideological conflict with the West. The United States and its allies opened their arms to reintegrate China into the West-led economic order in the 1980s, motivated by shared security interests and the tantalizing prospects that Chinese reforms could promote both economic prosperity and political freedom in the country. When the Tiananmen crackdown in 1989 abruptly ended China’s strategic partnership with the West and revealed their unbridgeable ideological divide, the path to full integration was nearly closed. The success of the post-Deng

regime in pursuing a grand strategy of “hiding strength and biding time” in the post–Cold War era only increased the odds of a new cold war later as a far more powerful China began to assert its newly acquired power and challenge the US-led order. With the arrival of Xi in late 2012, the combination of his ideological hostility, geopolitical ambitions, and strategic miscalculations—all of them direct or indirect consequences of the revival of totalitarian rule—would lead to a series of confrontations with the United States and its allies that eventually escalated to a new cold war.

Organization of the Book

To understand how political and economic developments since 1979 gradually narrowed the range of alternatives and increased the probability of the revival of totalitarian rule, this book uses a chronological approach to describe and analyze the most critical events, decisions, and factors that shaped the political and economic trajectories during three distinct periods in post-Mao China: the 1980s, the post-Tiananmen era, and the era of Xi Jinping. Chapter 1 focuses on elite politics and factional struggles over the direction of reform in the 1980s, the most politically open decade that ended with the tragic crackdown on the prodemocracy movement in June 1989. Chapter 2 reexamines the introduction of market-oriented reforms in the 1980s, with a special focus on how the rapid decollectivization of agriculture unleashed pent-up entrepreneurship and created a fast-growing private sector. In chapter 3 we dissect the neo-authoritarian political order, which the CCP constructed during the first decade of the post-Tiananmen era under Jiang Zemin’s leadership. We explore how the CCP’s adaptation of this neo-authoritarian political order enabled the regime to survive the shocks of the fall of communism in the former Soviet bloc and to confront the threats of economic modernization. Chapter 4 examines the policies adopted by the party during the Hu Jintao era to address the social deficits produced by neo-authoritarian rule, and it probes the factors that contributed to the unraveling of the post-Tiananmen order. In chapter 5 we analyze the drivers of China’s rapid economic growth in the post-Mao era. Chapter 6 traces the rise of Xi Jinping and the return of totalitarian rule. The story of the end of China’s economic miracle is told in chapter 7. In chapter 8 we review and analyze how China’s engagement with the West in the post-Mao era eventually ended in a new cold war.

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